

# Form MO-1040

## Missouri Individual

### Income Tax Return

#### Line-by-Line Instructions

#### Important: Complete your federal return first.

If you are filing an amended return, please check the box provided at the top left of the form and complete the **entire** return using the corrected figures. Also be sure to complete Lines 46, 47 and 48. If you are filing a fiscal year return, indicate the beginning and ending dates on the line provided near the top of the Form MO-1040.

## Step 1

### Name, Address and Social Security Number

If you received a postcard from the Department of Revenue or an income tax instruction book, please verify that the information on the label is correct. If all addressing information is correct, attach the label to Form MO-1040 and print or type your social security number(s) in the spaces provided. If you did not receive a postcard or a book with a label, or the label is incorrect, print or type your name, address and social security number(s) in the spaces provided.

Enter your county of residence and the correct number of the public school district in which you reside. See school district numbers on page 9 of the instructions.

## Step 2

### Check Your Filing Status

#### Lines 1–6 — Filing Status and Exemption Amount

Check the box applicable to your filing status. You must use the same filing status as on your Federal Form 1040 with two exceptions:

- Box 3B may be checked **only if** all of the following apply: (1) you checked Box 3 (married filing separate return) on your federal return; (2) your spouse had no income and is not required to file a federal return; and (3) your spouse qualifies as an exemption on your return and was not a dependent of someone else.
- Box 6 must be checked if you are claimed as a dependent on another person's federal tax return and you checked the "yes" box on Federal Telefile Tax Record, Line B or Federal Form 1040EZ, Line 5; or you were not allowed to check Box 6a on Federal Form 1040A or Federal Form 1040.

**Only one box may be checked on Lines 1 through 6.**

#### Lines 7–10 — Age 65 or Over and/or Blind

If either you or your spouse qualifies for the 65 years of age or blind deduction on your federal return, the appropriate boxes must be checked in addition to one of the boxes checked on Lines 1 through 6.

#### 100% Disabled Person

If you or your spouse is a 100% disabled person, please check the appropriate box. See definition for 100% disabled.

**Disabled:** The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. A claimant shall not be required to be gainfully employed prior to such disability to qualify for a property tax credit.

#### Non-Obligated Spouse

If you have any other liability due the state of Missouri, your income tax refund may be applied to that liability in accordance with Section 143.781, RSMo. The Internal Revenue Service (IRS) is not a state agency and the IRS may intercept refunds. If you are filing a combined return and the state of Missouri is seeking to use your spouse's state tax refund to offset his/her state liability, you are entitled to receive your portion of the combined return refund as a non-obligated spouse. Check the appropriate box if you are a non-obligated spouse and wish to receive your portion of the refund.

The non-obligated spouse refund apportionment applies to state agency debts only. Since the Internal Revenue Service is not a state agency, Internal Revenue Service offsets are excluded from the non-obligated spouse refund apportionment. All debtor

#### Instructions for Completing the Adjusted Gross Income Worksheet

Enter the part of the total income that is yours in Column Y and your spouse's portion in Column S. Income received from jointly held property — such as businesses, farm operations, dividends, interest, rent and capital gains (losses) — must be allocated to each spouse in proportion to his/her percentage of ownership in the property. (For example, you may own 50% of the business and your spouse may own the other 50%. Accordingly, business income would be split 50 – 50 between the spouses.) Taxable social security benefits must be allocated between each spouse

based on the proportionate share of gross social security benefits received for the tax year times Federal Form 1040A, Line 13b or Federal Form 1040, Line 20b. State income tax refunds must be allocated based on the percent of earnings of each spouse for the tax year for which the refund was issued. When you have completed the worksheet, transfer the amounts from Line 18 to Form MO-1040, Line 11Y and 11S. The total of Line 18Y and 18S must be equal to Federal Form 1040EZ, Line 4, Federal Form 1040A, Line 18 or Federal Form 1040, Line 33.

Adjusted Gross Income Worksheet for Combined Return	Federal Form 1040EZ Line Number	Federal Form 1040A Line Number	Federal Form 1040 Line Number	Y — Yourself		S — Spouse	
1. Wages, salaries, tips, etc. ....	1	7	7		00	1	00
2. Taxable interest income ....	2	8a	8a		00	2	00
3. Dividend income ....	none	9	9		00	3	00
4. State and local income tax refunds ....	none	none	10		00	4	00
5. Alimony received ....	none	none	11		00	5	00
6. Business income or (loss) ....	none	none	12		00	6	00
7. Capital gain or (loss) ....	none	none	13		00	7	00
8. Other gains or (losses) ....	none	none	14		00	8	00
9. Taxable IRA distributions ....	none	10b	15b		00	9	00
10. Taxable pensions and annuities ....	none	11b	16b		00	10	00
11. Rents, royalties, partnerships, S corporations, trusts, etc. ....	none	none	17		00	11	00
12. Farm income or (loss) ....	none	none	18		00	12	00
13. Unemployment compensation ....	3	12	19		00	13	00
14. Taxable social security benefits ....	none	13b	20b		00	14	00
15. Other income ....	none	none	21		00	15	00
16. Total (add Lines 1 through 15) ....	4	14	22		00	16	00
17. Less: federal adjustments to income ....	none	17	32		00	17	00
18. Federal adjusted gross income (Line 16 less Line 17) Enter amounts here and on Lines 11Y and 11S, Form MO-1040 ....	4	18	33		00	18	00

appeals or complaints concerning Missouri individual income tax refunds withheld are handled by the Internal Revenue Service.

## Step 3

### Figure Your Missouri Adjusted Gross Income

**Note:** All amounts must be rounded to whole dollars.

#### Line 11 — Federal Adjusted Gross Income

Enter in Column 11T your federal adjusted gross income from your Federal Telefile Tax Record, Line H; **or** Federal Form 1040EZ, Line 4; **or** Federal Form 1040A, Line 18; **or** Federal Form 1040, Line 33. Use only Column T throughout the remainder of the return unless you are filing a combined return.

If both spouses are reporting income, complete the adjusted gross income worksheet on page 1 to determine the separate incomes of each spouse. Enter the results from the worksheet on Form MO-1040, Lines 11Y and 11S and compute the total on Line 11T.

**If you include loss(es) of \$1,000 or more on Line 11, you must enclose a copy of Federal Form 1040 (pages 1 and 2).**

**Before completing Lines 12, 13 and 14 read the instructions for Form MO-A, Part 2, on page 6 of the instructions.**

#### Line 12 — Total Additions

If you have positive modifications to federal adjusted gross income, complete Form MO-A, Part 2. Enter the total additions amount from Form MO-A, Part 2, Line 3 on Form MO-1040, Line 12. Instructions for Form MO-A, Part 2, are located on page 6 of the instructions.

#### Line 13 — Total Income

Add Lines 11 and 12. Enter the total on Line 13.

#### Line 14 — Total Subtractions

If you have negative modifications to federal adjusted gross income, complete Form MO-A, Part 2. Enter the total subtractions amount from Form MO-A, Part 2, Line 7 on Form MO-1040, Line 14.

#### Line 15 — Missouri Adjusted Gross Income

Subtract Line 14 from Line 13. Enter the amount on Line 15. This is your Missouri adjusted gross income.

## Step 4

### Figure Your Taxable Income

**Complete Line 16 only if both spouses are reporting income.**

#### Line 16 — Income Percentages

Complete this line when both you and your spouse have income. On Line 16Y, enter the percentage obtained by dividing the amount on Line 15Y by the amount on Line 15T. On Line 16S, enter the percentage obtained by dividing the amount on Line 15S by the amount on Line 15T. Round to the nearest percentage (example: 84.3% would be shown as 84% and 97.5% would be shown as 98%). Line 16Y and 16S must equal 100%.

**Note:** If one spouse has a loss on Line 15, the percentage for that spouse would be 0% and the percentage for the spouse with the income would be 100%.

#### Line 17 — Pension Exemption

Complete Form MO-A, Part 3, if you received a pension in 1998 (Form MO-A, Part 3, instructions are located on page 7). Enter on Form MO-1040, Line 17 the amount from Form MO-A, Part 3, Line 9T. **Attach a copy of your federal return (pages 1 and 2) and Form 1099-R. Failure to enclose these copies will result in the disallowance of your pension exemption.**

#### Line 18 — Missouri Standard Deduction or Missouri Itemized Deductions

If you itemized deductions on your federal return, you may itemize deductions for Missouri or take the standard deduction, whichever is to your advantage. However, if you were **required** to itemize deductions on your federal return, you **must** itemize

deductions on your Missouri return. If you claimed the standard deduction on your federal return, you **must** also claim the **standard deduction** on your state return. See your federal return and instructions for the standard deduction amounts.

If you take the **standard deduction**, enter on Line 18 the same amount you entered on your Federal Telefile Tax Record, Line I (Standard Deduction — first box); or Federal Form 1040EZ, Line 5, however, if you checked “No” on Line 5, enter \$4,250 if single or \$7,100 if married filing a combined Missouri return; or Federal Form 1040A, Line 21; or Federal Form 1040, Line 36.

If you **itemize your deductions**, you must complete Form MO-A, Part 1. See the instructions for completing Form MO-A, Part 1, on page 5. If you itemize deductions, enter on Form MO-1040, Line 18 the amount from Form MO-A, Part 1, Line 13.

**Note:** If you itemize deductions on your federal return, you must enclose a copy of Federal Form 1040, pages 1 and 2 and Federal Form 1040, Schedule A to your Missouri return.

#### Line 19 — Federal Income Tax

Enter on Line 19 your federal income tax from your 1998 Federal Telefile Tax Record, Line J (Tax — second box) minus Line K; or Federal Form 1040EZ, Line 10 minus Line 8a; Federal Form 1040A, Line 32 minus Line 37a; or Federal Form 1040, Line 49 minus Line 59a.

**Do not include earned income credit. Do not enter the amount shown on your Form W-2(s). If a negative amount is calculated, enter zero on Line 19.** If you made an entry on Federal Form 1040, Line 39; **enclose** a copy of Federal Form 4972 if “checked” on your federal return.

#### Line 20 — Other Federal Tax

Enter the total amount of Lines 46, 51 and 53 and any recapture taxes included on Line 56 from Federal Form 1040. **Do not** include FICA tax, railroad retirement tax or self-employment tax on this line. Please enclose a copy of your federal return (pages 1 and 2). Attach a copy of Federal Form 4255, Federal Form 8611 or Federal Form 8828 if claiming recapture taxes.

#### Line 21 — Total Federal Tax

Add Lines 19 and 20. Enter the amount on Line 21.

#### Line 22 — Federal Tax Deduction

The federal tax deduction is limited to \$5,000 (\$10,000 for taxpayers filing a combined return). **You are considered to be filing a combined return only if you checked Box 2 (Married and filing a combined Missouri return) in Step 2. If you checked Box 1, 3a, 3b, 4, 5 or 6, in Step 2 your federal tax deduction is limited to \$5,000.** If the amount on Line 21 is \$5,000 or less (\$10,000 or less on a combined return) enter the amount from Line 21 on Line 22. If the amount on Line 21 exceeds \$5,000, enter \$5,000 on Line 22. If you are filing a **combined return** and the amount on Line 21 exceeds \$10,000, enter \$10,000 on Line 22.

#### Line 23 — Exemption Amount

Enter on Line 23 the amount of exemption claimed for your filing status on Lines 1 through 6. The amounts are listed on Form MO-1040. **Caution:** If you checked Box 6 (claimed as a dependent on another person’s federal tax return) enter zero on Line 23.

#### Line 24 — Total Number of Dependents

Enter the total number of dependents (**Do not include yourself or your spouse**) claimed on your Federal Form 1040A, Line 6c or Federal Form 1040, Line 6c, in the box on Line 24. Multiply this number by \$1,200 and enter the total on Line 24. List the first names of dependents you are claiming in the box provided. If you filed Federal Form 1040EZ or telefiled your federal return, enter zero.

#### Line 25 — Elderly Dependent Deduction

Enter on Line 25 the number of dependents from Line 24 that qualify for the elderly dependent deduction. Multiply this number by \$1,000 and enter on Line 25.

To qualify for the elderly dependent deduction your dependent(s) included in Line 24 must have attained the age of 65 years of age on or before the last day of the taxable year. However, if the dependent resides in a facility licensed pursuant to Chapter 198, RSMo and receives Medicaid or state funding, the dependent does not qualify for the elderly dependent deduction.

#### Line 26 — Total Deductions

Add Lines 17, 18, 22, 23, 24 and 25. Enter the total on Line 26.

**Line 27 — Subtotal**

Subtract Line 26 from Line 15T. If less than zero, enter zero. **Do not enter a negative amount.**

**Line 28 — Allocation of Taxable Income**

If you are filing a combined return, multiply the amount on Line 27 by the percentages on Lines 16Y and 16S. Enter the results on Lines 28Y and 28S. Add Lines 28Y and 28S and enter the total on Line 28T. If you are not filing a combined return, enter on Line 28T the amount entered on Line 27. Round all amounts to the nearest whole dollar.

**Line 29 — Enterprise Zone Income Modification**

If you or your spouse has exempt income from a business facility located in an enterprise zone that has been approved by the **Department of Economic Development**, enter one-half of the Missouri taxable income attributed to the new business facility in the enterprise zone (refer to Form 4354) on Line 29. Section 135.205, RSMo, defines the criteria for a business facility to qualify for an enterprise zone income modification. You may **not** claim the modification without notification of approval from the **Department of Economic Development**. For additional information, contact the Department of Economic Development, Tax Benefit Programs, P.O. Box 118, Jefferson City, MO 65102-0118.

**Line 30 — Balance**

Subtract Line 29 from Line 28 and enter the total on Line 30.

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## Step 5

### Figure Your Tax

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**Line 31 — Balance Forward**

Enter the amount(s) from Lines 30Y, 30S and/or 30T on Lines 31Y, 31S and/or 31T.

**Line 32 — Missouri Tax**

If both you and your spouse have income, determine **each** of your taxes from the tax table provided on Form MO-A, Page 1. Do not use the total income (31T) of you and your spouse to figure the amount of tax due on a combined return. Enter the results on Lines 32Y and 32S and enter the total on Line 32T. If not filing a combined return, enter the tax amount on Line 32T.

### Line 33 — Resident Credit for Income Taxes Paid to Other States (Residents and Part-Year Residents Filing as Residents)

If you were required to pay income tax to another state, you may be entitled to claim a tax credit against your Missouri income tax liability for the tax paid to the other state. To determine your allowable tax credit, complete Form MO-CR, Credit for Income Taxes Paid to Other States. If filing a combined return, Form MO-CR must be completed for you and your spouse each if both are entitled to a credit for income taxes paid to another state. **Note: Please enclose Form MO-CR and a copy of the other state's income tax return to your Missouri return.**

**Nonresidents and Part-Year Residents Filing as Nonresidents — If you were a nonresident of Missouri or a part-year resident of Missouri filing as a nonresident, see the instructions for Line 34.**

**Line 34 — Nonresident Missouri Percentage**

If you were a nonresident of Missouri or a part-year resident filing as a nonresident, you may be entitled to reduce your Missouri income tax liability. Form MO-NRI, Nonresident Income Percentage, must be completed to determine the percentage(s) that can be applied to your tax on Line 32 to reduce your Missouri tax liability. Proceed to Form MO-NRI. After determining the percentage(s), enter the percentage(s) on Lines 34Y and 34S (if filing a combined return) or on Line 34T (if not filing combined return).

Check the appropriate box if you or your spouse is a professional entertainer or a member of a professional athletic team.

**Note: Please enclose Form MO-NRI and a copy of your federal return (pages 1 and 2) to your Missouri return.**

**Line 35 — Balance**

If you are not entitled to either a credit for taxes paid to another state or a nonresident percentage reduction of tax liability, enter the amount(s) from Line 32 on Line 35. If you are entitled to a resident credit on Line 33 for income taxes paid to another state, subtract Line 33 from Line 32 and enter on Line 35. If you are entitled to use a nonresi-

dent Missouri percentage on Line 34, multiply Line 32 by the percentage on Line 34 and enter on Line 35. **Note: You cannot be entitled to both a resident credit on Line 33 and a nonresident Missouri percentage on Line 34.**

### Line 36 — Tax on Lump Sum Distributions and Recapture Tax on Missouri Low Income Housing Credits

**Lump Sum Distributions.** If, during 1998, you received a portion of a lump sum distribution from an annuity or retirement, not otherwise included in Missouri adjusted gross income, this distribution may be subject to Missouri income tax. You are subject to the tax if your state of legal residence was Missouri at the time you received the lump sum distribution. The amount of the tax is equal to 10% of your federal tax liability on the distribution for the same year.

Multiply the amount from Federal Form 1040, Line 40 (relating to Form 4972 only) by 10% (.10) and enter the result on Form MO-1040, Line 36. **Please enclose a copy of Federal Form 4972 to your Missouri return.**

**Recapture Tax.** If you are required to recapture a portion of any federal low income housing credits taken on a low income housing project, you are also required to recapture a portion of any state credits taken. The state recapture amount is the proportion of the state credit that equals the proportion the federal recapture amount bears to the original federal low income housing credit amount. **Please enclose a copy of Federal Form 8611 and pages 1 and 2 of your federal return to your Missouri return.**

**Line 37 — Total Tax**

Add Lines 35 and 36. Enter the result on Line 37. If you are filing a combined return, add Lines 37Y to 37S and enter the total on Line 37T.

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## Step 6

### Figure Your Credits and Payments

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**Line 38 — Miscellaneous Tax Credits**

You may be eligible for certain tax credits. The total amount of tax credit is computed by completing Form MO-TC, Miscellaneous Income Tax Credits. Enter the total tax credit amount from Form MO-TC, Line 26, on Form MO-1040, Line 38. Please enclose Form MO-TC to your Form MO-1040. The following is a list of available credits and the agency to contact for information, forms, and approval to claim each credit.

- *New or Expanded Business Facility Credit* — contact the Tax Benefit Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 526-5410
- *Development Reserve Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479
- *Infrastructure Development Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479
- *Export Finance Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479
- *Missouri Low Income Housing Credit* — contact the Missouri Housing Development Commission, 3435 Broadway, Kansas City, MO 64111 or call (816) 759-6662
- *Missouri Business Modernization and Technology (Seed Capital) Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0295
- *Neighborhood Assistance Credit* — contact the Community Development Group, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-4849
- *Affordable Housing Assistance Credit* — contact the Missouri Housing Development Commission, 3435 Broadway, Kansas City, MO 64111 or call (816) 759-6662
- *Special Needs Adoption Credit* — contact the Missouri Division of Family Services, P.O. Box 88, Jefferson City, MO 65103-0088
- *Enterprise Zone Credit* — contact the Tax Benefit Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-5410
- *Small Business Incubator Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0295
- *Small Business Investment Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0295
- *Community Bank Investment Credit* — contact the Community Development Group, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-9051
- *Qualified Research Expense Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0295
- *Higher Education Scholarship Fund Credit* — contact the Missouri Department of Higher Education, P.O. Box 6730, Jefferson City, MO 65102 or call (573) 751-3940 or (800) 473-6757



- *Abandoned Property Credit* — contact the Incentives Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0717
- *Youth Opportunities Credit* — contact the Community Development Group, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-4539
- *Processed Wood Energy Credit* — contact the Missouri Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176 or call (573) 751-4000
- *Missouri Business Use Incentives for Large-Scale Development (BUILD) Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479
- *Maternity Home Credit* — contact the Missouri Department of Social Services, P.O. Box 88, Jefferson City, MO 65103 or call (573) 751-4920
- *Shelter for Victims of Domestic Violence Credit* — contact the Missouri Department of Public Safety, P.O. Box 749, Jefferson City, MO 65102-0749 or call (573) 751-5433
- *Historic Preservation Credit* — contact the Missouri Department of Economic Development, Community Development Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 522-8006
- *Sponsorship and Mentoring Program Credit* — contact the Missouri Department of Elementary and Secondary Education, P.O. Box 480, Jefferson City, MO 65102-0480 or call (573) 751-4192
- *Charcoal Producers Credit* — contact the Missouri Department of Natural Resources, P.O. Box 176, Jefferson City, MO 65102-0176 or call (573) 526-5604

If you are eligible for any of the credits listed above, you can obtain **Form MO-TC** by writing to: Department of Revenue, P.O. Box 3022, Jefferson City, MO 65105-3022 or call (800) 877-6881.

### Line 39 — Property Tax Credit

You may be eligible for this tax credit if you or your spouse were age 65 or older as of December 31, 1998, and you or your spouse were a resident of Missouri for the entire year **or** you or your spouse were a veteran of any branch of the armed forces of the United States or this state who became 100% disabled as a result of such service **or** you or your spouse are disabled as defined in Section 135.010(2), RSMo **or** you were age 60 or older receiving surviving spouse social security benefits. **Your total household income cannot exceed \$27,000 if married filing combined or \$25,000 if single or married filing separate. For more information, see Form MO-PTC.** If you or your spouse meet eligibility requirements, enter the amount of tax credit on Line 39 and enclose Form MO-PTC to your return.

### Line 40 — Missouri Income Tax Withheld

Enter on Line 40 the total amount of Missouri income tax withheld as shown on your Federal Form W-2, Wage and Tax Statement(s) or Form 1099-R. These forms are furnished to you by your employer(s) or retirement administrator(s). These forms must be enclosed with your return. **Do not include withholding for local taxes, city earnings taxes or another state's withholding.**

### Line 41 — Missouri Estimated Tax Payments

Enter on Line 41 the amount of payments you have made to your 1998 estimated tax account. This includes the amount of any 1997 overpayment that was applied to your 1998 estimated tax account, plus all estimated tax payments made for the 1998 tax year.

### Line 42 — Nonresident Partner or S Corporation Shareholder Tax Withheld

Enter on Line 42 the amount withheld from your distributive share by the partnership or S corporation, if you are a nonresident partner or S corporation shareholder as shown on Form MO-2NR, Line 8.

### Line 43 — Nonresident Entertainer Tax Withholding

Enter on Line 43 your share of the amount withheld from gross earnings as a nonresident entertainer, as shown on Form(s) MO-2ENT, Line 10. Attach a schedule showing the date and place of the performance(s), the nonresident entertainer entity's name and how your share of the withholding was calculated.

### Line 44 — Total Estimated Tax Payments and Nonresident Withholding

Enter on Line 44 the total of Lines 41 through 43.

### Line 45 — Extension of Time to File

If you filed for an extension of time to file, enter on Line 45 the amount you paid to the Department of Revenue with the Form MO-60 or Form MO-1040V.

### Line 46 — Amended Return Only: Payment on Original Return

If you are filing an amended return for 1998, enter on Line 46 the amount paid with or after filing your original return for 1998. Indicate the reason(s) for filing an amended return by checking the appropriate box below Line 48.

### Line 47 — Total

Add Lines 38 through 40 and 44 through 46. Enter the total on Line 47.

### Line 48 — Amended Return Only: Refund on Original Return

If you are filing an amended return for 1998, enter on Line 48 the amount of refund shown on your original return for 1998. Indicate the reason(s) for filing an amended return by checking the appropriate box and entering the corresponding month, day, and/or year.

### Line 49 — Total Payments and Credits

Subtract Line 48 from Line 47. Enter the amount on Line 49.

## Step 7 Figure Your Refund or Amount Due

### Line 50 — Overpayment

If Line 49 is larger than Line 37T, enter the difference (overpayment) on Line 50. All or a portion of an overpayment can be refunded to you. You can request that all or a portion of your overpayment be applied to your next year's estimated taxes, (see instructions for Line 51), or you can request that all or a portion of your overpayment, but not less than \$2.00 (\$4.00 if filing a combined return), be contributed to a trust fund(s) on Line 52 (see instructions for Line 52).

### Line 51 — Estimated Tax Carry Forward

If you wish to have all or a portion of your 1998 overpayment on Line 50 applied to your 1999 estimated tax account, enter the amount on Line 51.

### Line 52 — Trust Fund Contributions

Enter on Lines 52a, 52b and 52c any portion of your overpayment you wish to contribute to the following trust funds. If you file an amount due return and wish to contribute to the Children's Trust Fund, Veterans Trust Fund or Elderly Home Delivered Meals Trust Fund, enter the amount on Line 52a, 52b or 52c and enclose a **separate check** for this amount. The amount contributed must be \$2.00 or more for each trust fund (\$4.00 or more for each trust fund if filing a combined return).



**Children's Trust Fund** — The Children's Trust Fund is the only statewide organization dedicated to preventing child abuse and neglect in Missouri. The Children's Trust Fund provides financial support to community-based programs designed to strengthen families and prevent child abuse and neglect. Programs include parenting education, crisis nursery, respite, home visitation services and school-linked prevention classes. Comprehensive family resource centers located throughout the state are being developed to provide child abuse prevention services. The Children's Trust Fund educates the general public about the problem of child abuse and the importance of investing in prevention. For more information, please contact: Children's Trust Fund, P.O. Box 1641, Jefferson City, MO 65102-1641, or call (573) 751-5147.



**Veterans Trust Fund** — The Veterans Trust Fund expands the Missouri Veterans Commission's ability to provide quality healthcare at its five veterans homes, and to assist veterans and dependents through its Service to Veterans Program. Because of the availability of this fund, nursing care staff receive specialized training and assistance for the treatment of residents suffering from Alzheimer's, dementias, and other extraordinary ailments; and Veterans Service Officers and Assistants receive comprehensive training relating to veterans benefits. Contributions may be made at any time directly to: Veterans Trust Fund, c/o The Missouri Veterans Commission, P.O. Drawer 147, Jefferson City, MO 65102-0147.



**Elderly Home Delivered Meals Trust Fund** — The Elderly Home Delivered Meals Trust Fund provides an opportunity to support the home delivered meals program for Missouri's senior citizens. Over 4 million meals are provided each year to home bound senior citizens. These nutritionally balanced meals, delivered to the homes of seniors on the average of one meal per day, five days per week, help them live independently in their homes. The need for home delivered meals increases yearly as persons are living longer and may need assistance. For more information, please contact: Elderly Home Delivered Meals Trust Fund, c/o Division of Aging, P.O. Box 1337, Jefferson City, MO 65102, or call (573) 751-3082.

### Line 53 — Refund Amount

Subtract Lines 51, 52a, 52b and 52c from Line 50 and enter on Line 53. This is the amount of your expected refund. Errors on your return and incomplete returns (i.e., missing Form W-2(s) or required schedules, etc.) will cause delays in processing your refund. Please mail your return to: **Department of Revenue, P.O. Box 500, Jefferson City, MO 65106-0500.**

**Note:** If you have any other liability due the state of Missouri, such as child support payments, your income tax refund may be applied to that liability in accordance with Section 143.781, RSMo. You will be notified if your refund is offset against any debt(s).

### Line 54 — Underpayment

If Line 37T is larger than Line 49, subtract Line 49 from Line 37T and enter the difference (underpayment) on Line 54.

### Line 55 — Underpayment of Estimated Tax Penalty

If the total payments and credits amount on Line 49, less Line 45, is less than 90% (66-2/3% for farmers) of the amount on Line 37T, or if your estimated tax payments were not paid in full and on a timely basis, you may owe a penalty for failure to pay enough estimated taxes. However, you may be able to meet one of the exceptions explained on Form MO-2210, Underpayment of Estimated Tax for Individuals. If Line 49 less Line 45 is less than 90% (66-2/3% for farmers) of Line 37T, obtain and enclose a completed Form MO-2210 to indicate any exceptions met or to compute the underpayment of estimated tax penalty. You may use the short method on Form MO-2210 if you qualify to use the short method on Federal Form 2210 or if all withholding and estimated tax payments were made equally throughout the year and you do not annualize your income. If you owe a penalty, enter the penalty amount on Line 55. If you have an **overpayment** on Line 50, the Department of Revenue will reduce your overpayment by the amount of the penalty.

### Line 56 — Amount Due

Add Lines 54 and 55 and enter the total on Line 56. Enclose a check or money order (U.S. funds only) for the total amount due, payable to: **Missouri Director of Revenue.** Write your **social security number(s)** and **daytime phone number** on your check or money order. Do not send cash or stamps. Please mail your return and payment to: **Department of Revenue, P.O. Box 329, Jefferson City, MO 65107-0329.**

## Step 8

### Please Sign Return

#### Signature

You **must** sign your Missouri income tax return. Both spouses must sign a combined return. If you pay someone to prepare your return, that person must also sign the return.

If you wish to authorize the Director of Revenue or delegate to release information pertaining to your tax account to your preparer or to any member of his/her firm, indicate "yes" by checking the appropriate box.

## Assemble Your Return

Assemble any forms and/or schedules behind Form MO-1040 in order of the "Enclosure Sequence No." shown in the upper right corner of the form and/or schedule. Put forms without an enclosure sequence number next. If you have supporting documentation, arrange them in the same order of forms and/or schedules they support and enclose them behind each schedule they support. Attach "Copy 2" of all Form W-2(s) and Form 1099-R(s), if applicable, to the front of Form MO-1040.

## Mailing Your Return

If you have a **refund** amount on Line 53 or no amount due, please mail your return and all required materials to the **Department of Revenue, P.O. Box 500, Jefferson City, MO 65106-0500.**

If you have an **amount due** on Line 56, please mail your return and payment to the **Department of Revenue, P.O. Box 329, Jefferson City, MO 65107-0329.**

# Form MO-A

## Missouri Individual

## Income Tax Adjustments

### Line-by-Line Instructions

## Part 1

### Missouri Itemized Deductions

If you itemized deductions on your federal return, you may itemize your deductions for Missouri, or take the standard deduction, whichever is to your advantage. **You must enclose a copy of your Federal Form 1040 and Federal Form 1040, Schedule A, to your Missouri return if you itemize deductions on your federal return.** If you were **required** to itemize your deductions on your federal return, you must itemize deductions on your Missouri return. See your federal return and instructions for the standard deduction amounts. **Do not use Form MO-A, Part 1 if you took the standard deduction on your federal return.**

#### Line 1 — Federal Itemized Deductions

Enter the amount from Federal Form 1040, Line 36 on Line 1 even if your federal itemized deductions were reduced by use of the federal itemized deduction worksheet.

#### Lines 2 and 3 — Social Security Tax (FICA)

Enter in the first box on Line 2, the social security tax **you** paid in 1998, from the Social Security Tax Withheld box of your 1998 Form W-2(s) (not to exceed \$4,241). Enter in the second box on Line 2, the Medicare tax **you** paid in 1998, from the Medicare Tax Withheld box of your 1998 Form W-2(s). Enter the total of these two boxes on Line 2.

Enter in the first box on Line 3, the social security tax **your spouse** paid in 1998, from the Social Security Tax Withheld box of his/her 1998 Form W-2(s) (not to exceed \$4,241). Enter in the second box on Line 3, the Medicare tax **your spouse** paid in 1998, from the Medicare Tax Withheld box of his/her 1998 Form W-2(s). Enter the total of these two boxes on Line 3.

#### Lines 4 and 5 — Railroad Retirement Tax

Enter in the first box on Line 4, the railroad retirement tax, Tier I and Tier II, which was withheld from **your** wages during 1998 (not to exceed \$6,725). This amount includes a Tier I maximum of \$4,241 and Tier II maximum of \$2,484. Enter in the second box on Line 4, the Medicare tax **you** paid in 1998. Enter the total of these two boxes on Line 4.

Enter in the first box on Line 5, the railroad retirement tax, Tier I and Tier II, which was withheld from **your spouse's** wages during 1998 (not to exceed \$6,725). This amount includes a Tier I maximum of \$4,241 and Tier II maximum of \$2,484. Enter in the second box on Line 5, the Medicare tax **your spouse** paid in 1998. Enter the total of these two boxes on Line 5.

**Note:** If a person has both FICA and railroad retirement tax, the maximum deduction allowed is the amount withheld as shown on the Form W-2(s) less, either the amount entered on Federal Form 1040, Line 62, or, if only one employer, the amount refunded by the employer.

#### Lines 6 and 7 — Self-Employment Tax

Enter in the first box on Line 6, the self-employment tax **you** paid in 1998, from Federal Form 1040, Line 50. Enter in the second box on Line 6, **your** portion of the amount of self-employment tax deducted on Federal Form 1040, Line 27. Subtract the second box from the first box and enter the difference on Line 6.

Enter in the first box on Line 7, the self-employment tax **your spouse** paid in 1998, from Federal Form 1040, Line 50. Enter in the second box on Line 7, **your spouse's** portion of the amount of self-employment tax deducted on Federal Form 1040, Line 27. Subtract the second box from the first box and enter the difference on Line 7.

#### Line 8 — Cultural Contributions

Enter on Line 8 your **approved** cultural contributions (literary, musical, scholastic or artistic) to a tax exempt agency or institution that is operated on a not-for-profit basis. **Cash contributions do not qualify.** The cultural contribution must be appraised within one (1) year of donation by a qualified appraiser who is not related to the donor.

or donee as defined in Title 26, Internal Revenue Code Section 168(e)(4)(D). Attach the appraisal to your tax return accompanied by a sworn statement from the donor and donee that indicates acceptance, by both, of the fair market value fixed by the appraiser. The sworn statement should also specify the actual date of the donation, the donor's address and telephone number and the address where the composition may be viewed, if applicable. This deduction must meet all guidelines established by the Department of Revenue. For more information write to the Department of Revenue, P.O. Box 2200, Jefferson City, MO 65105-2200.

### Line 9 — Total

Add Lines 1 through 8. Enter the total on Line 9.

### Line 10 — State and Local Income Taxes

Enter on Form MO-A, Part 1, Line 10 the amount from your Federal Form 1040, Schedule A, Line 5. **However**, if your federal adjusted gross income from Federal Form 1040, Line 33 is more than \$124,500 (\$62,250 if married filing separate) complete the worksheet on Form MO-A, below Part 1. (See summary below.)

#### Worksheet for Part 1, Line 10

Included in the Federal Revenue Reconciliation Act of 1990 was a provision that required individuals with federal adjusted gross income over certain income thresholds to reduce the amount allowable for federal itemized deductions by 3% of the excess over that threshold (26 USC 68). Certain deductions, such as medical expenses, investment interest and casualty, theft or wagering losses are not subject to this reduction. For 1998, the threshold is income over \$124,500 (\$62,250 if married filing separate).

House Bill 1155, passed during the 86th General Assembly, changed the language in Section 143.141(1) and (2), RSMo to reflect this change in federal law. Previously, taxpayers were required to add-back all state income taxes regardless of any reductions at the federal level. This law changed the language regarding the state income tax add-back to read that Missouri itemized deductions must be reduced by the **proportional** amount representing any income taxes imposed by this state, another state of the United States or a political subdivision thereof or the District of Columbia. This law is effective for all tax years beginning on or after January 1, 1993.

**This law does not affect those taxpayers with federal adjusted gross income from Federal Form 1040, Line 32 of \$124,500 or less (\$62,250 or less if married filing separate).** If your income is below these amounts, enter on Form MO-A, Part 1, Line 10, the amount from your Federal Form 1040, Schedule A, Line 5. However, if your federal adjusted gross income from Federal Form 1040, Line 33 is more than \$124,500 (\$62,250 if married filing separate), complete the Worksheet on Form MO-A, below Part 1. Enter the amount from Form MO-A, Part 1, Worksheet, Line 8 on Form MO-A, Part 1, Line 12. **Do not complete Lines 10 and 11.** See Regulation 12 CSR 10-2.160 for a complete explanation on calculating the state income tax deduction.

### Line 11 — Earnings Taxes

Enter on Line 11 the amount of any Kansas City and St. Louis earnings taxes that are included in Line 10.

### Line 12 — Net State Income Taxes

Subtract Line 11 from Line 10 and enter the result on Line 12 or if you completed Form MO-A, Part 1, Worksheet enter the amount from Line 8.

### Line 13 — Missouri Itemized Deductions

Subtract Line 12 from Line 9 and enter the result on Line 13, and on Form MO-1040, Line 18. If this amount is less than the **federal standard deduction** (see federal income tax form instructions for amount), then you should enter the **standard deduction** amount on Form MO-1040, Line 18, **unless** you were required to itemize your deductions on your federal return. If you were required to itemize your deductions on your federal return, you must enter the amount from Form MO-A, Part 1, Line 13 on Form MO-1040, Line 18.

## Part 2

### Missouri Modifications to Federal Adjusted Gross Income

Form MO-A, Part 2, computes Missouri modifications to federal adjusted gross income. Modifications on Lines 1 and 2 **include** income that is exempt from federal tax, but taxable for state tax purposes. Modifications on Lines 4, 5 and 6 **exclude** income that is exempt from state tax, but taxable for federal tax purposes. If after reviewing the

instructions for Part 2, you have no modifications, enter on Form MO-1040, Lines 13 and 15 the same amount(s) entered on Form MO-1040, Line 11.

### Line 1 — Interest on State and Local Obligations

If you received income from an obligation of a state or political subdivision of a state **other than Missouri**, enter the amount of that income, reduced by the related expenses incurred (management fees, trustee fees, interest, etc.) if the expenses are over \$500.

### Line 2 — Partnership, Fiduciary, S Corporation, Other

Enter positive adjustments (additions), reported from partnerships, fiduciaries, S corporations or other sources. (See individual medical account information below.) The partnership, fiduciary or S corporation must notify you of the amount of any such adjustment (addition) to which you are entitled. Check the boxes applicable on Line 2 and enclose a copy of the notification received.

**Net Operating Loss — Carryback/Carryforward:** Enter as positive adjustment (additions) the amount of your eligible net operating loss carryback/carryforward as computed on Federal Form 1045, Schedule A, Line 25; Federal Form 1045, Schedule B, Line 8; or Federal Form 1045, Line 11.

**Non-medical Withdrawal from Individual Medical Account (IMA):** Any monies you withdraw from your Individual Medical Account (IMA) for non-medical purposes are taxable to Missouri. The interest earned on such monies is also taxable to Missouri. These taxable monies are reported on the statement provided by the administrator of the IMA.

### Line 3 — Total Additions

Add Lines 1 and 2. Enter the totals on Form MO-A, Part 2, Line 3 and on Form MO-1040, Line 12.

### Line 4 — Interest on Exempt Federal Obligations

Interest from **direct** obligations of the U.S. Government, such as U.S. savings bonds, U.S. treasury bills, bonds and notes is exempt from state taxation under the laws of the United States. **Attach a detailed list or all Federal Form 1099(s).** Taxpayers who claim exclusion for interest from **direct** U.S. obligations must identify the specific securities owned, e.g., "U.S. savings bond." A general description such as "interest on U.S. obligation" or "U.S. Government securities" is **not** acceptable. (See 12 CSR 10-2.150 for the taxability of various U.S. Government related obligations.) Failure to identify the security will result in the disallowance of the deduction.

A federally taxed distribution received from a mutual fund investing exclusively in **direct** U.S. Government obligations is exempt. If the mutual fund invests in both exempt (direct) and non-exempt (indirect) federal obligations, the deduction allowed will be the distribution received from the mutual fund attributable to the interest on the **direct** U.S. Government obligations, as determined by the mutual fund. **Attach a copy of the year-end statement** received from the mutual fund showing either the amount of monies received or the percentage of funds received from **direct** U.S. Government obligations, or a summary statement received from the mutual fund which clearly identifies the exempt and non-exempt portions of the U.S. Government obligation interest. The statement does not need to list each obligation separately. **Failure to enclose the requested document will result in the disallowance of the deduction.**

In arriving at the amount of related expenses, the taxpayer may use actual expenses or a reasonable estimate. In general, the taxpayer should use the same or similar method used to compute related expenses for federal income tax purposes, provided that the method reasonably reflects related expenses for Missouri-exempt income.

If a taxpayer fails to compute reasonable related expenses, the Director of Revenue will make an adjustment based on the best information made available. If sufficient information is not made available or if the taxpayer's records do not provide sufficient information, the Director of Revenue will use the following formula to compute related expenses:

$$\frac{\text{Exempt income}}{\text{Total income}} \times \text{Expense items} = \text{Reduction to exempt income}$$

The principal expense item in this formula is interest expense; however, the Director of Revenue may include other expense items because of their direct relationship to the production of exempt income. The taxpayer may propose an alternative method provided that it properly reflects the amount of related expenses.

### Line 5 — State Income Tax Refund

Enter the amount of any state income tax refund included on Form MO-1040, Line 11. If the refund was issued to you and your spouse, it must be allocated between you and



your spouse based on the percentage of income earned (Lines 16Y and 16S) during the tax year for which the refund was issued. **Federal Form 1040 must be enclosed.**

### Line 6 — Partnership, Fiduciary, S Corporation, Railroad Retirement Benefits, Other

Enter negative adjustments (subtractions), reported from partnerships, fiduciaries and S corporations. The partnership, fiduciary and S corporation must notify you of the amount of any such adjustment (subtraction) to which you are entitled. Check the boxes applicable on Line 6 and enclose a copy of the notification received. **Failure to enclose a copy of the notification furnished to you will result in the disallowance of the modification.**

**Railroad Retirement Benefits Administered by the Railroad Retirement Board**, such as all Tier I and Tier II benefits and any railroad retirement sick pay, disability and unemployment benefits, included in federal adjusted gross income (Form MO-1040, Line 11), are exempt from state taxation.

Other sources of negative adjustments may be:

- (1) **Contributions into a Missouri Individual Medical Account (IMA).** Contributions that were made by your employer into an Individual Medical Account (IMA) and used to pay your health care expenses are exempt from Missouri income tax. The interest income earned on the IMA account is also exempt from Missouri income tax. The IMA contribution is identified in Box 14 of your wage and tax statement, Form W-2. Reduce the amount of contributions by the amount of medical and dental expenses deducted on Federal Form 1040, Schedule A, Line 4, but paid for by the IMA and included in Missouri itemized deductions.
- (2) **Additional Capital Gain Deduction Due to Difference in Basis.** If during the taxable year you realized a gain from the sale of property or other capital assets which had a higher tax basis for Missouri tax purposes than for federal tax purposes, you may exclude the gain or the difference in the basis of the property so disposed, whichever is smaller. If the gain was considered a long term capital gain for federal income tax purposes, the exclusion is limited to the gain or 50% of the difference, whichever is smaller. No difference in basis can be claimed for any property obtained after December 31, 1972. If your basis for Missouri purposes is less than the basis for federal income tax purposes, no adjustment is required.
- (3) **Accumulation Distribution.** If during the year 1998 you received a distribution as beneficiary of a trust that was made from accumulated earnings of prior years and you filed Federal Form 4970, the amount may be excluded from Missouri income to the extent that it was reported in your federal adjusted gross income.
- (4) **Capital Gain Exclusion on Sale of Low Income Housing.** If during 1998, you sold a federally subsidized (HUD) low income housing project to a nonprofit or governmental organization, and at least 40% of the units are occupied by persons or families having incomes of 60% or less of the median income, you may exclude 25% of the capital gain from Missouri tax. However, the buyer of the property must agree to preserve or increase the low income occupancy of the project. To use this exclusion, enter as "other" 25% of the capital gain reported on your Federal Form 1040. Attach a copy of your Federal Form 1040 (pages 1 and 2), Federal Form 4797, and an explanation.

Do not include income earned in other states on Line 6. Complete Form MO-NRI (Nonresident Income Percentage) or Form MO-CR (Credit for Income Taxes Paid to Other States). See Form MO-1040, Line 33 or Line 34.

### Line 7 — Total Subtractions

Add Lines 4, 5 and 6. Enter the total on Form MO-A, Part 2, Line 7 and on Form MO-1040, Line 14.

## Part 3 Pension Exemption

In 1998, all pension income that is taxable on your federal return, is also subject to tax by the state of Missouri. However, recipients of pension payments provided by the United States, this state, any other state or any political subdivision of this or any other state, are eligible to exempt the first \$6,000 of such payments received during 1998. In addition, recipients of private pensions are eligible to exempt the first \$1,000 of such payments received during 1998. In order to be eligible for the pension exemption, the recipient's Missouri adjusted gross income must fall within certain income limitations. Form MO-A, Part 3 is designed to assist you in computing the amount of pension exemption you may be entitled to take on Form MO-1040, Line 17. **Railroad retirement benefits that**

**are administered by the Railroad Retirement Board must be included on Form MO-A, Part 2, Line 6 as a modification to federal adjusted gross income. A copy of your federal return (pages 1 and 2) and your Form 1099-R must accompany your Form MO-1040 when filed; otherwise the exemption will be disallowed.**

### Line 1 — Missouri Adjusted Gross Income

Enter the Missouri adjusted gross income from Form MO-1040, Line 15T.

### Line 2 — Taxable Social Security

Enter the taxable amount of your 1998 social security benefits from Federal Form 1040A, Line 13b or Federal Form 1040, Line 20b.

### Line 3 — Modified Missouri Adjusted Gross Income

Subtract Line 2T from Line 1T to arrive at your modified Missouri adjusted gross income. This amount is only for use in determining whether your income exceeds the maximum income limitation for this worksheet.

### Line 4 — Determine Applicable Income Limitation

Check the appropriate filing status box and enter the corresponding amount on Line 4T. If your modified Missouri adjusted gross income on Line 3T is equal to, or exceeds the applicable income limitation on Line 4T; you are not eligible for a pension exemption.

### Line 5 — Taxable Government Pension

Enter the total amount of taxable **government** pension received in 1998 from Federal Form 1040A, Line 11b or Federal Form 1040, Line 16b. **Do not include any payments from private pensions or social security benefits on this line.**

### Line 6 — Government Pension Exemption

If you are filing a combined return, enter on Line 6Y the lesser of \$6,000 or the amount of Line 5Y. Enter on Line 6S the lesser of \$6,000 or the amount of Line 5S. Each recipient is eligible for up to \$6,000 of exemption, but the amount of exemption cannot exceed the amount of payments received in 1998. Enter the total amount of Lines 6Y and 6S on Line 6T. If you are not filing a combined return, enter on Line 6T the lesser of \$6,000 or the amount of Line 5T.

### Line 7 — Taxable Private Pension

Enter the total amount of taxable **private** pension(s) received in 1998 from Federal Form 1040A, Line 10b and Line 11b or Federal Form 1040, Line 15b and Line 16b. Do not include any payments from government pensions or social security benefits on this line.

### Line 8 — Private Pension Exemption

If you are filing a combined return, enter on Line 8Y the lesser of \$1,000 or the amount of Line 7Y. Enter on Line 8S the lesser of \$1,000 or the amount of Line 7S. Each recipient is eligible for up to \$1,000 of exemption, but the amount of exemption cannot exceed the amount of payments received in 1998. Enter the total amount of Lines 8Y and 8S on Line 8T. If you are not filing a combined return, enter on Line 8T the lesser of \$1,000 or the amount of Line 7T.

### Line 9 — Total Pension Exemption

Add Lines 6T and Line 8T. Enter the total on Line 9T and on Form MO-1040, Line 17. This is your total pension exemption for 1998. **Attach copies 1 and 2 of your federal return and your Form 1099-R(s).**

## Frequently Asked Questions

### 1. Why must I split the income between my spouse and me?

Missouri laws require a combined return, with each spouse responsible for his or her portion of the tax. The tax computed separately for you and your spouse is lower than the tax computed on your income and your spouse's income together.

### 2. What is my federal adjusted gross income?

Federal adjusted gross income is your income, plus or minus any federal income adjustments (but not your deductions or exemptions). You can find your federal adjusted gross income as follows:

Federal Form	Telefile Tax Record	1040EZ	1040A	1040
Line	H	4	18	33

**3. How do I treat income from another state?**

If you are a full-year resident of Missouri, with income from another state, that income is included in your taxable income to Missouri. You may take a credit for taxes paid to another state, so that you aren't taxed twice on the same amount.

If you are a part-year resident of Missouri, you may choose to be treated as a full-year resident and take a credit for taxes paid to another state. If you choose, you may use a percentage method and be taxable on the portion of income you earned in Missouri and all other income you received while a Missouri resident.

If you choose the percentage method, you still begin with federal adjusted gross income (see question 2). Once the Missouri tax is computed on the entire amount of your income; you then complete a Form MO-NRI, which will give you the percentage of your income that is taxable to Missouri. Multiplying this percentage by the Missouri tax on all your income will give you the tax on the portion of your income earned in Missouri.

**4. If I have income from another state, what do I get credit for in Missouri?**

If you are a Missouri resident, you may claim credit for tax owed to another state. This is different from the withholding shown on your Form W-2(s); it is tax you actually owe the other state. You must complete Form MO-CR, and include a copy of the other state's return with your Missouri return to receive this credit. A copy of Form MO-CR is in this book.

**5. What is my standard deduction?**

Your Missouri standard deduction is the same as your federal standard deduction. Please see table below:

Federal Form	Telefile Tax Record	1040EZ	1040A	1040
Line	I	5*	21	36

\*Note: If you check "NO" on Federal Form 1040EZ, enter \$4,250 if single or \$7,100 if married.

**6. What is my federal income tax liability?**

Your federal income tax liability is your tax owed to the federal government. This is different from the withholding shown on your Form W-2(s). Do not include the amount of your federal earned income credit. It is the amount found as follows:

Federal Form	Telefile Tax Record	1040EZ	1040A	1040
Line	J minus K	10 minus 8a	32 minus 37a	49 minus 59a

**7. What is other federal tax?**

If you did not file a Federal Form 1040, you have no "other federal tax." It does not include social security tax (FICA), railroad retirement tax, or self-employment tax.

It does include any foreign tax credit taken on Federal Form 1040, Line 46, alternative minimum tax on Federal Form 1040, Line 51, tax on qualified retirement plans and MSAs on Federal Form 1040, Line 53 and recapture of credits on Federal Form 1040, Line 56.

**8. Who qualifies for the property tax credit?**

People age 65 or older, people who are disabled, 100% disabled veterans or people age 60 or older who receive surviving spouse social security benefits who pay rent

or property tax for their home. To determine if you qualify for the credit, please see the instructions for Form MO-PTC.

**9. How do I compute my tax on income greater than \$9,000?**

If your Missouri taxable income is less than \$9,000, use the tax table on the tax form. If the Missouri taxable income is over \$9,000 then subtract the \$9,000 from your Missouri taxable income and multiply the difference by .06. This figure should be added to \$315 and placed on Line 32. Repeat this procedure for your spouse, if necessary. For example, if your Missouri taxable income is \$23,500, the computation is as follows:

$$\$23,500 - \$9,000 = \$14,500$$

$$\$14,500 \times .06 = \$870$$

$$\$870 + \$315 = \$1,185$$

**10. Where do I mail my return?**

If your return has a **refund or no amount due**, please mail it to: **Department of Revenue, P.O. Box 500, Jefferson City, MO 65106-0500.**

If your return has an **amount due**, please mail it to: **Department of Revenue, P.O. Box 329, Jefferson City, MO 65107-0329.**

**11. What is a non-obligated spouse?**

A non-obligated spouse is a spouse who is not liable for the debt of the other spouse. If you are married, and your spouse owes money to a state agency, the Department of Revenue may be required to take the state income tax refund for your spouse. In this case, you will want to check the non-obligated spouse. This allows your refund to be processed as normal.

The non-obligated spouse apportionment applies only to state agencies. The Internal Revenue Service is not a state agency and debts owed to the IRS are excluded from the non-obligated spouse apportionment.

**12. When do I get the refund shown on the Form 1099-G I received?**

You already did! The Form 1099-G shows last year's state income tax refund. If you itemized on your federal return last year, you may be required to report this amount to the federal government. Please check the instructions for the federal form to determine if you are required to report this amount.

**13. What is my school district number?**

Your school district and number are listed on page 9. If you do not know which school district you are in, check your local phone book or call your local school board.

**14. How can I find out about my refund?**

You may call 1-800-411-8524. You will need the first social security number on the return, the filing status, and the amount of the expected refund in whole dollars.

**15. How can I get Missouri tax forms?**

Call 1-800-877-6881; download them from the department's Web site at <http://dor.state.mo.us>, "Forms-by-Fax" (573) 751-4800 or MODOR BBS (573) 751-7846.

**16. I have other questions. Where can I get help?**

You may visit any of the Tax Assistance Centers listed below.

**Department of Revenue Tax Assistance Centers**

Public hours at the offices listed below are from 7:45 a.m. to 4:45 p.m. daily with walk-in income tax assistance provided from 8:00 a.m. to 4:30 p.m. Individuals with speech or hearing impairments use TDD (800) 735-2966.

**Cape Girardeau**

3102 Blattner Dr., Suite 102  
(573) 290-5850

**Jefferson City**

2018 William St.  
(573) 751-7191

**Joplin**

1110 E. Seventh St., Suite 400  
(417) 629-3070

**Kansas City**

615 East 13th St., Room B2  
(816) 889-2920

**Springfield**

149 Park Central Square, Room 313  
(417) 895-6474

**St. Louis**

2510 S. Brentwood, Suite 300  
(314) 301-1660

**St. Joseph**

525 Jules, Room 314  
(816) 387-2230

**Other Important Phone Numbers**

**Form ordering** (800) 877-6881  
Form order questions (573) 751-5337

Forms-by-Fax (573) 751-4800  
Bulletin Board (573) 751-7846  
Ombudsman (800) 347-6681

Refund Inquiry Line (800) 411-8524  
Electronic filing information (573) 751-3930

Internet/World Wide Web: <http://dor.state.mo.us>



# 1998 Missouri School District Numbers

Your Missouri school district number **must** be entered on your income tax return. This information is supplied to the State Department of Elementary and Secondary Education and is used in determining the amount of state aid to your school district.

Enter the number of the **public school** district where your residence is located.

The Missouri **public school** district names and numbers are listed alphabetically by school district name. Generally, the name of your **public school** district is also the name of the city, town, or village where your **public school** is located.

Do not write the name of the school district on the return. Enter only the number of the district in the following list. For example:

1. All **public schools** located in the City of Columbia are in "Columbia 93" School District, and No. "098" should be entered in the spaces provided.

2. All **public schools** located in the City of Springfield are in "Springfield R-XII" School District, and No. "475" should be entered in the space provided.

The following should be considered in determining your public school district number.

1. **Determine your public school district at the time of completing your return.**
2. If you live in one school district and work or have a permanent or temporary mailing address in another, enter the district number where you live.
3. If you are in military service or a student temporarily living and working away from your permanent residence, enter the district number of your permanent residence.
4. If you are a "nonresident" of Missouri, your school district number is "347".

If you are unable to determine your school district number from these instructions, call the public elementary or public high school of your school district.

NAME	NUMBER	NAME	NUMBER	NAME	NUMBER	NAME	NUMBER	NAME	NUMBER
Adrian R-III	001	Butler R-V	056	Dadeville R-II	111	Fredericktown R-I	158	Holcomb R-III	205
Advance R-IV	002			Dallas Co. R-I (Buffalo)	112	Fulton 58	159	Holden R-III	206
Affton 101	003	Cabool R-IV	057	Davis R-XII	113			Holliday C-2	207
Albany R-III	004	Cainsville R-I	058	DeSoto 73	114	Gainesville R-V	160	Hollister R-V	208
Altenburg 48	005	Calhoun R-VIII	059	DeKalb R-IV	115	Galena R-II	161	Houston R-I	209
Alton R-IV	006	California R-I	060	Delta R-V	116	Gallatin R-V	162	Howell Valley R-I	210
Appleton City R-II	008	Callao C-8	061	Dent-Phelps R-III		Gasconade C-4 (Falcon)	163	Hudson R-IX	211
Arcadia Valley R-II		Camdenton R-III	062	(RFD, Salem)	117	Gatewood R-III	164	Humansville R-IV	212
(Ironton)	009	Cameron R-I	063	Dexter R-XI	118	Gideon 37	165	Hume R-VIII	213
Archie R-V	010	Campbell R-II	064	Diamond R-IV	119	Gilliam C-4	166	Hurley R-I	214
Ash Grove R-IV	011	Canton R-V	065	Dixon R-I	120	Gilman City R-IV	167		
Atlanta C-3	012	Cape Girardeau 63	066	Doniphan R-I	121	Glasgow R-II	168	Iberia R-V	215
Aurora R-VIII	013	Carl Junction R-I	067	Dora R-III	122	Glenwood R-VIII	169	Independence 30	217
Ava R-I	014	Carrollton R-VII	068	Drexel R-IV	123	Golden City R-III	171	Iron Co. C-4 (Viburnum)	218
Avenue City R-IX	015	Carthage R-IX	069	Dunklin R-V		Gorin R-III	172		
Avilla R-XIII	016	Caruthersville 18	070	(Jefferson Co.)	124	Grain Valley R-V	173	Jackson R-II	219
		Cassville R-IV	071			Grandview C-4		Jamestown C-1	221
Bakersfield R-IV	017	Center 58		East Buchanan Co. C-I		(Jackson Co.)	174	Jasper Co. R-V	222
Ballard R-II	018	(Jackson County)	074	(Gower)	125	Grandview R-II		Jefferson C-123	
Bayless	019	Centerville R-I	077	East Carter Co. R-II		(Jefferson Co.)	175	(Nodaway Co.)	223
Bell City R-II	020	Central R-III	080	(Ellisnore)	126	Green City R-I	177	Jefferson City	224
Belle R-II	021	Centralia R-VI	079	East Lynne 40	127	Greene Co. R-VIII		Jefferson Co. R-VII	
Bellevue R-III	022	Chadwick R-I	080	East Newton Co. R-VI	128	(Rogersville)	277	(RFD, Festus)	225
Belton 124	023	Chaffee R-II	081	East Prairie R-II	129	Green Forest R-II	178	Jennings	227
Bernie R-XIII	025	Chamois R-I	082	Edgar Springs R-III	130	Green Ridge R-VIII	179	Johnson Co. R-VII	571
Bevier C-4	026	Charleston R-I	083	El Dorado Springs R-II	131	Greenfield R-IV	180	Joplin R-VIII	228
Billings R-IV	029	Chilhowee R-IV	084	Eldon R-I	132	Greenville R-II	181	Junction Hill C-12	229
Bismarck R-V	030	Chillicothe R-II	085	Elsberry R-II	134	Grundy Co. R-V (Galt)	182		
Blackwater R-II	031	Clarksburg C-2	087	Eminence R-I	135			Kahoka R-I	230
Bloomfield R-XIV	033	Clarkton C-4	088	Eugene R-V	136			Kansas City 33	231
Blue Eye R-V	034	Clayton	089	Everton R-III	137	Hale R-I	184	Kearney R-I	232
Blue Springs R-IV	035	Clearwater R-I	090	Excelsior Springs 40	138	Halfway R-III	185	Kelso C-7	233
Bolivar R-I	037	Clever R-V	091	Exeter R-VI	139	Hallsville R-IV	186	Kennett 39	234
Boncl R-X	038	Climax Springs R-IV	092			Hamilton R-II	187	Keytesville R-III	235
Boonville R-I	039	Clinton	093	Fair Grove R-X	140	Hancock Place	188	King City R-I	236
Bosworth R-V	040	Cole Camp R-I	096	Fair Play R-II	141	Hannibal 60	189	Kingston K-14	
Bourbon R-I	041	Cole Co. R-II		Fairfax R-III	142	Hardeman R-X	190	(Washington Co.)	237
Bowling Green R-I	042	(RFD, Jefferson City)	097	Fairview R-XI	144	Hardin-Central C-2	191	Kingston 42	
Bradleyville R-I	043	Columbia 93	098	Farmington R-VII	146	Harrisburg R-VIII	192	(Caldwell Co.)	238
Branson R-IV	044	Community R-VI	099	Fayette R-III	147	Harrisonville R-IX	193	Kingsville R-I	239
Brashear R-II	045	Concordia R-II	101	Ferguson-Florissant R-II	148	Hartville R-II	194	Kirbyville R-VI	240
Braymer C-4	046	Conway R-I	102	Festus R-VI	149	Hayti R-II	195	Kirksville R-III	241
Breckenridge R-I	047	Cooter R-IV	103	Fordland R-III	151	Hazelwood	196	Kirkwood R-VII	242
Brentwood	048	Couch R-I	104	Forsyth R-III	152	Hermann R-I	197	Knob Noster R-VIII	244
Bronaugh R-VII	049	Cowgill R-VI	105	Fort Osage R-I (Route 2,		Hermitage R-IV	198	Knox Co. R-I (Edina)	245
Brookfield R-III	050	Craig R-III	106	Independence)	153	Hickman Mills C-1	200	Koshkonong R-III	246
Brunswick R-II	052	Crane R-III	107	Fort Zumwalt R-II	154	Hickory Co. R-I			
Bucklin R-II	053	Crawford Co. R-II (Cuba)	108	Fox C-6 (Arnold)	155	(Urbana)	201	Laclede Co. C-5	
Bunceton R-IV	054	Crocker R-II	109	Francis-Howell (R-III)	156	Higbee R-VIII	202	(RFD, Lebanon)	247
Bunker R-III	055	Crystal City 47	110	Franklin Co. R-II		High Point R-III	203		
				(RFD, New Haven)	157	Hillsboro R-III	204		



# State of Missouri

## Income and Outlays

### Fiscal Year 1999

General Revenue .....	\$6,906,152,724
Other Funds .....	\$4,676,670,778
Federal Funds .....	\$4,314,710,214
Total Fiscal Year 1999 State of Missouri Budget .....	\$15,897,533,716

## Income — Where it will come from ...

### General Revenue

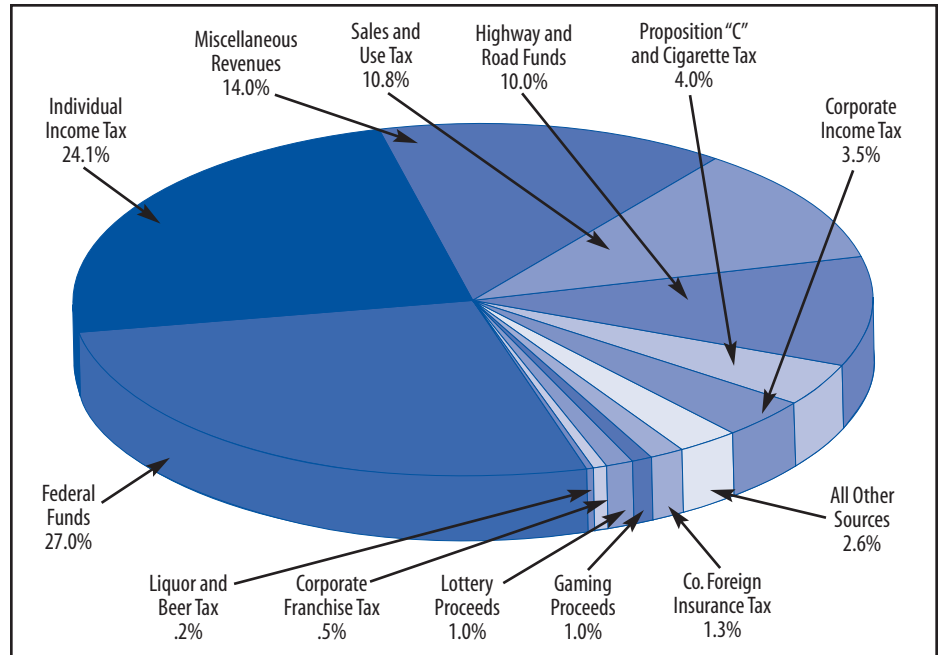
Individual Income Tax	24.1%
Sales and Use Tax	10.8%
Corporate Income Tax	3.5%
Co. Foreign Insurance Tax	1.3%
Corporate Franchise Tax	.5%
Liquor and Beer Tax	.2%
All Other Sources	2.6%

### Other Funds

Miscellaneous Revenues	14.0%
Highway and Road Funds	10.0%
Proposition "C" and Cigarette Tax	4.0%
Gaming Proceeds	1.0%
Lottery Proceeds	1.0%

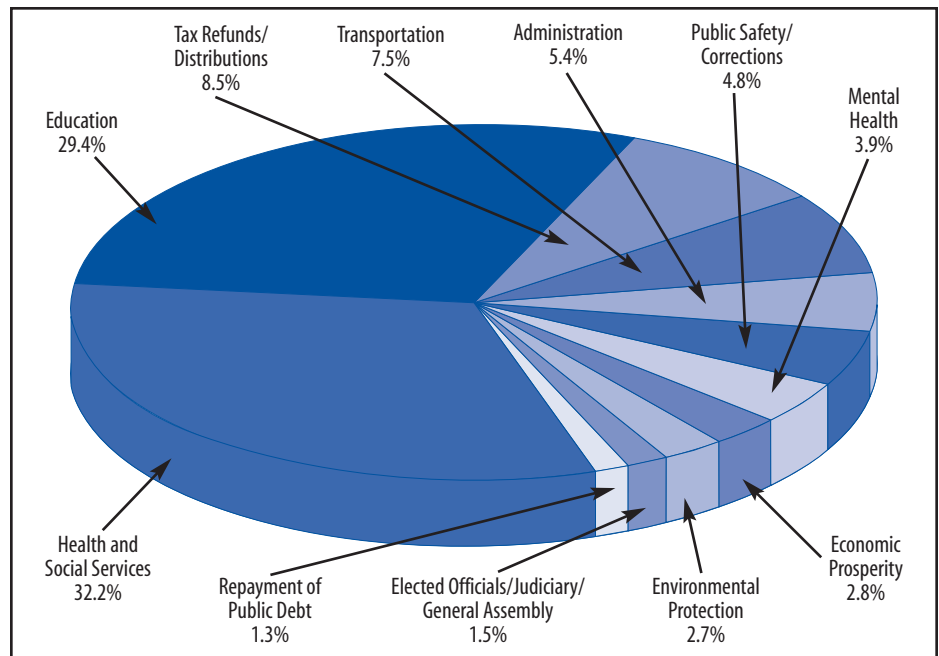
### Federal Funds

27.0%



## Outlays — Where it will go ...

Health and Social Services	32.2%
Department of Health	
Department of Social Services	
Education	29.4%
Department of Elementary and Secondary Education	
Department of Higher Education	
Tax Refunds and Distributions	8.5%
Department of Revenue	
Department of Transportation	7.5%
Administration	5.4%
Office of Administration	
Department of Revenue	
Public Safety and Corrections	4.8%
Department of Public Safety	
Department of Corrections	
Department of Mental Health	3.9%
Economic Prosperity	2.8%
Department of Economic Development,	
Department of Agriculture,	
Department of Insurance and	
Department of Labor and Industrial Relations	
Environmental Protection	2.7%
Department of Natural Resources	
Department of Conservation	
Elected Officials/Judiciary and General Assembly	1.5%
Repayment of Public Debt	1.3%



Source: House Appropriations Committee Staff





## Show Me Results

In an effort to help achieve the results about which Missourians care most, state officials, led by Governor Carnahan, initiated the **Show Me Results** effort in 1997. By measuring and reporting these results, the state of Missouri will be able to better focus attention on important issues. In addition, you will be better able to determine, in part, the impact of how your state tax dollars are used.

The first step in this effort is to find out how well Missouri is doing on 23 important indicators. These measures reflect the combined impact of private and public efforts to improve our state's performance in these areas. We have grouped these results into five categories: Safe Missourians,

Prosperous Missourians, Educated Missourians, Healthy Missourians and Responsible Government.

If you have any suggestions or questions about the Show Me Results effort, or would like more information, including a list of all the results, visit the following Internet site:

**<http://www.comap.state.mo.us/showme>**

or write: Commission on Management  
and Productivity  
P.O. Box 809  
Jefferson City, Missouri 65109

### Final Checklist Before Mailing Your Return

1. If the label information is correct, peel off and place on your return. Print or type your social security number in the spaces provided. If the information is not correct, please print or type the correct information in the spaces provided.
2. In the spaces provided, enter the number of the school district and the name of the county in which you reside.
3. Check all computations on your return.
4. Attach state copies of Form W-2(s) and Form 1099-R(s) from all employers and administrators who withheld Missouri income tax. Verify that the amount entered on Form MO-1040, Line 40 equals the total shown on the Form W-2(s) and Form 1099-R(s).
5. If you are claiming a property tax credit, enclose a completed Form MO-PTC and required enclosures.
6. If you itemized deductions on your federal return, you must enclose a copy of pages 1 and 2 of your Federal Form 1040 and Federal Schedule A.
7. Attach a copy of your federal return (pages 1 and 2) if Form MO-1040, Line 15T includes loss(es) of \$1,000 or more, you claimed a pension exemption, a low income housing credit, a low income housing credit recapture, other federal tax deductions or filed a Form MO-NRI.
8. If you claim a pension exemption, you must enclose a copy of your federal return (pages 1 and 2) and Form 1099-R(s).
9. If you claim interest from exempt federal obligations on Form MO-A, Part 2, Line 4, you must enclose a detailed list or your federal return (pages 1 and 2) and Form 1099(s).
10. To speed the processing of your refund/return, all documents filed should be assembled by Enclosure Sequence Number.
11. Sign your return. Both spouses must sign a combined return.
12. Maintain a copy of your return and all enclosures.
13. Mail your return.

Form/Document	Enclosure Sequence No.
Form MO-1040	(Top Document)
Form MO-A	1040-01
Form MO-TC	1040-02
Form MO-CR	1040-03
Form MO-NRI	1040-04
Form MO-60	1040-05
Form MO-2210	1040-06
Form MO-PTC	1040-07
Form MO-CRP	1040-08
Federal Form 1040, Schedule R or Federal Form 1040, Schedule 3, whichever applies. Copies of any other state's return you are filing. Copies of federal return and enclosures, if required.	

- **Endose** all state copies of Form W-2(s), Form 1099-R(s) and Form MO-2ENT with your return.
- **Endose** your check with your return.
- **Any** enclosures which are copies of forms filed elsewhere should be clearly marked **COPY** in block letters.